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Montserrat

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I. General

1. Montserrat[1] is situated in the Leeward Islands in the eastern Caribbean, 43 kilometres south-west of Antigua and 64 kilometres north-west of the French Overseas Department of Guadeloupe. The island covers an area of 103 square kilometres, all of which is volcanic and mountainous. Its coastline is rugged and there is no all-weather harbour.[2]

2. Montserrat was named after a Spanish monastery by Christopher Columbus on his second trip to the island in 1493. In 1632, the island became a British colony, and its first settlers came mainly from Ireland. Slaves, who worked the cotton, sugar and tobacco plantations, were unsuccessful in an uprising in 1768. Although Montserrat was occupied by France for brief periods of time, it returned definitively to British rule in 1783. Montserrat became a British Crown Colony in 1871.

3. In July 1995, the Montsoufriere volcano, dormant for more than 400 years, erupted and caused the evacuation of population from the southern part of the island to its northern "safe" areas. Montserrat's capital, Plymouth, was abandoned after the increase in volcanic activity in 1996. The temporary capital is now located in Brades and a new capital is being planned in Little Bay, which is situated on the north-east coast of the island.

4. The population of Montserrat was 10,581 in 1995. By 1998, it was reduced to 3,500. In 1999, the population was estimated to have grown to 4,600, and in 2001 to approximately 5,000, with nearly 3,000 people over the age of 18.

II. Constitutional, political and legal issues

5. Montserrat is a Non-Self-Governing Territory of the United Kingdom of Great Britain and Northern Ireland. The Territory is administered by the United Kingdom under the Montserrat Constitution Order of 1989, which came into force in 1990. The current Constitution provides for a Governor appointed by the Queen; an Executive Council comprising the Governor as President, the Chief Minister, three ministers and two ex officio members (the Attorney General and the Financial Secretary); and a Legislative Council, comprising a Speaker, two ex officio members (the Attorney General and the Financial Secretary), seven elected members returned from single-member constituencies on the basis of universal adult suffrage and two nominated members. Elections are held every five years on the basis of universal adult suffrage. In 2002, a Constitutional Review Committee was appointed to review the Constitution. The Committee was asked to submit its report to the Governor by June 2002, but was unable to do so. According to the local press, although Montserratians were given the opportunity to make comments about the Constitution, there was a lack of interest by many Montserratians in the process and a poor turnout at consultations. Critics accused the Committee of not including a public education programme in its terms of reference. The time limit to revise the Constitution has also been criticized. According to the new schedule, the recommendations are due to be presented early in 2003.[3]

6. Ministerial responsibilities cover all areas of government business, including finance. While the Governor retains responsibilities for external affairs, internal security, defence, the pubic service and offshore financial services, he is expected to act on the advice of the Ministers.

7. The law of the Territory is English common law together with locally enacted legislation. It is administered by the Eastern Caribbean Supreme Court. The Royal Montserrat Police Force is funded by the technical cooperation programme.

8. The current Governor of Montserrat, Tony Longrigg, has been in office since May 2001. The Chief Minister, John Osborne, took office in April 2001. The main political parties are the New People's Liberation Movement (NPLM) and the National Progressive Party (NPP).

9. Since the eruption of the Montsoufriere volcano, the entire island has been considered to be one electoral constituency. Nine at-large members are elected in two rounds of voting. The new Assembly does not include any nominated members. One of the important issues for the new electoral system is the question of a qualifying pre-poll residence period. Initially, it had been suggested that the length of residence should be three weeks to make it possible for Montserratians who lived abroad to return home and vote. For the 2001 elections, the residency requirement was raised to 36 months better to reflect the opinion of the inhabitants of the Territory. However, this stipulation has caused some displeasure among the Montserratians living and working abroad.

10. The resignation of two Ministers in February 2001 upset the coalition Government, which had a one-seat majority among the seven elected seats of the Legislative Council. Under such circumstances, the Territory's Constitution requires holding new elections within 90 days. As a consequence, the election date was advanced from November to 2 April 2001. The elections brought an overwhelming victory for NPLM, which now occupies seven of the nine seats in the Legislative Council. The remaining two seats are held by NPP. Three of the elected representatives are women and two of them serve as ministers. The next election is due to be held in early 2006.

11. The Overseas Territory bill, which grants British citizenship to nationals of Britain's Overseas Territories, was given Royal Assent in March 2002. The bill enables Montserratians and other citizens of the Overseas Territories to apply for British citizenship, through which they will acquire the rights of free movement, residence and the opportunity to work in the United Kingdom and other States members of the European Union.[4]

III. Status of the Montsoufriere volcano

12. The Montserrat Volcano Observatory was established after the eruption of the Montsoufriere volcano in 1995 and became a statutory body of the Government of Montserrat in 1999. Funded mainly through the United Kingdom Department for International Development (DFID), its role is to advise civilian authorities on the volcanic activity and associated hazards. Contrary to the initial prognosis, the volcanic eruptions were repeated in 2000 and 2002. In March 2002, it was reported that since September 2001, the dome had grown at an average rate of 2 cubic metres per second, or 400,000 tonnes per day.

13. In September 2002, the Volcano Executive Group, which was formed to deal with matters related to the volcano, reported that the volcano dome had grown to the largest possible height. If the dome growth switched to the north or north-west, pyroclastic flows could reach as far as the sea and surge clouds could affect the

upper reaches of the Belham Valley. The Group affirmed these conditions and an evacuation of areas flanking the Belham Valley was ordered in October 2002. Since the beginning of the evacuation from the extended exclusion zone, there has been growing concern over the credibility of the authorities giving the evacuation orders. Residents who were planning to seek remedial action complained about inconsistencies in the actions and reporting by the Montserrat Volcano Observatory scientists. However, according to information from the Group, the level of risk remained the same or higher, there was a larger volume of hot material perched above the northern flank of the volcano and the dome had grown substantially. The Montserrat Volcano Observatory attributed most of the major collapses of the dome since July 1998 to heavy rainfall, which assisted in the speedier degradation of the dome.[5]

14. The international scientific community provides assistance to the Montserrat Volcano Observatory. A European-funded volcano project called "Multimo" held a meeting of its partners in Montserrat in September 2002 to exchange scientific ideas about new methods of volcano monitoring, modelling and forecasting. Montserrat also hosted an international seismology workshop in September 2002, focusing on monitoring techniques for forecasting purposes. The volcano's energy as a potential source of geothermal power is being investigated by a Caribbean-based company. In August 2002, Caribbean Power Limited initiated negotiations with the Government of Montserrat to supply electricity at less than half the current cost.[6]

15. Visiting volcanologists from the United States of America, in conjunction with the Montserrat Volcano Observatory, have employed borehole technology to assess the state of the volcano. Drilling started in November 2002 and was expected to last three months. The project is expected to be completed within three years and will cost approximately US$ 1 million, which is allocated by the National Science Foundation in the United States.[7]

IV. Economic conditions

A. General

16. Volcanic activity and hurricane damage have combined to undermine seriously Montserrat's economic development and have implications for its future planning. As efforts to rebuild the economy continue, economic activity centres on reconstruction, which is largely funded through DFID.

B. Analytical study by the University of the West Indies

17. According to the analytical study conducted by the University of the West Indies, entitled "The challenges of achieving development in a micro state: The case of Montserrat 1995-2001" and provided by the administering Power, Montserrat's economy has continued to experience a debilitating shock to its development since 1995.

18. In 1995, the population of Montserrat was more than 10,000. The vibrant and growing tourist sector contributed over 30 per cent of the gross domestic product (GDP) and the budget was balanced with small surpluses. Seven years later the

population had declined to less than half (4,938), the contribution of the tourism sector to the GDP decreased to approximately 10 per cent, and the economic infrastructure showed severe limitations in air and sea transport, educational and health facilities. The budget showed large deficits financed by budgetary aid from the United Kingdom, and there was a lack of major private sector investment. Six significant areas were emphasized in the analysis of development challenges in Montserrat from 1995 to 2001, namely: limited financial resources; external decision-making; population size; limited development prospects; lack of natural resources; and lack of key infrastructure.

Limited financial resources

19. According to the study, the Government's revenue generation is heavily dependent on direct and indirect taxation. In 2000, taxation accounted for 84 per cent of local revenue. The local revenue base decreased from approximately 42 million Eastern Caribbean dollars in 1994 to over EC$ 28 million in 2001. The recurrent expenditure of the Government of Montserrat in 2001 was EC$ 55.5 million and the recurrent revenue amounted to EC$ 26.5 million. The increase in expenditure was a result of augmented requirements in response to the crisis, coupled with a corresponding decrease in revenue, which led to recurrent deficits starting at EC$ 20.7 million in 1995, rising to a high of EC$ 36 million in 1997, and decreasing thereafter before rising again to EC$ 29 million in 2001. The limitations within the tax base have to be compensated by additional revenue from private sector activity within the economy. However, the lack of financial resources and the small size of the market equally impose constraints on the private sector. The Government will therefore depend on budgetary aid from the United Kingdom for the foreseeable future.

External decision-making

20. The inability of the local economy to generate enough revenue to cover its operational expenses has led to a loss of autonomy in many spheres of decision-making. Aid resources were hampered by an extensive approval process and were often allocated against local expertise and technical advice. A number of delays reduced the impact and cost-effectiveness of emergency measures/capital investment. Aid programmes are expected to benefit both the recipient country, and the economy of the donor country, which leaves room for conflict and difficult negotiations. An in-house analysis of DFID expenditure over the period 1998-2001 found that 26.5 per cent of the total aid resources during that period was allocated to non-project expenditure, 47 per cent was used for project expenditure, and 26.5 per cent was spent for budgetary aid.

Population size

21. The study maintains that whereas prior to 1995 the population was approximately 11,000, it now stands at around 4,500. The loss of about half of the population resulted from a fear of volcanic activity, evacuation, an inadequate housing provision and a loss of jobs. It is estimated that over 5,000 persons emigrated, mainly to the United Kingdom where resettlement opportunities were offered. In terms of achieving development, Montserrat's population size and structure are not satisfactory. Only one third of the population is employed. The demographic structure shows an ageing population with a greater portion becoming

dependent on social welfare. As the population's small market size inhibits the number of business ventures on the island, the consumer has to contend with high prices and limited product choice or resort to shopping in nearby islands. This in turn leads to a further contraction in the market size, creating a vicious circle.

Limited development prospects

22. While the volcanic activity persists, an inability to attract long-term meaningful investment remains. Negative press reports, the unavailability of adequate insurance coverage, the small labour force, the limited market size and the inadequate transportation infrastructure contribute to a lack of confidence on the part of potential investors. As empirical evidence shows, the Government's public investment programme has a stimulating effect on the economy. With the contraction of the private sector, the contribution of government services to the GDP has increased in importance, from approximately 18 per cent in 1995 to over 33 per cent in 2000.

Lack of natural resources

23. Prior to 1995, the main natural resource contributing to the construction sector was mining and quarrying; now it consists of the volcano and its emissions. Although this sector has potential to become a major revenue earner, in the present state of activity it is difficult to exploit this resource.

Lack of key infrastructure

24. The loss of adequate air transport has had a negative effect on tourism, which is the major industry of Montserrat, and now the cost of a new airport facility is a huge component of the Government's investment programme. Although "size" in terms of financial resources, population and domestic market has had an impact on the development process in Montserrat, size in regard to physical land space cannot be considered a deterrent to development.

25. The study outlines two basic requirements that need to be resolved in the short term to establish a sound economic base in Montserrat:

(a) Adequate financing for the construction and government services sector in the short term should facilitate a change towards a long-term reduction of dependence on the Government as the leading sector within the economy. Financing would be required for the development of key infrastructure, like airport and seaport facilities and the support of the private sector, including the development of agriculture, tourism, mining and quarrying and knowledge-based industries. The development of these sectors will increase their contribution to the GDP and reduce dependence on the Government as the economic stimulant. The critical question to consider is the role of the United Kingdom in providing the appropriate level of financing. The study suggests several options of attracting the finance Montserrat needs to facilitate the development process. One of them is encouraging support from the Montserrat community overseas by creating a special trust fund. Another possibility is the recently created Caribbean Community (CARICOM) Stabilization Fund or loan financing on soft terms from development finance institutions;

(b) In addition, an increase in the population is necessary for sustained development to occur. Although it will be difficult to increase the population

rapidly, appropriate goals and incentives may encourage a small portion of the population to return. To ensure that the population level is sustained, it will be necessary to focus on job creation initiatives in the private sector.

26. Since Montserrat has been in a "recovery and rehabilitation" mode since 1998, it has been a challenge to respond to a growing emergency while attempting to facilitate the development process. However, the need for emergency response in Montserrat is now greatly diminished, so that development can be pursued more effectively.

27. The study also summarizes a framework for the Government of Montserrat to develop a long-term plan, which includes six main strategic objectives:

(a) To promote the retention of the present population and encourage the return of Montserratians from overseas;

(b) To promote prudent economic management, sustained growth, a diversified economy and the generation of employment opportunities;

(c) To promote human development and well-being and enhance the quality of life for all people on the island;

(d) To ensure good governance by strengthening public administration and promoting civil society;

(e) To improve and expand external relationships to facilitate Montserrat's integration into the regional and global environment;

(f) To ensure that Montserrat's development is environmentally sustainable and includes appropriate strategies for disaster mitigation.

C. Budget

28. According to preliminary estimates for Montserrat prepared by the Statistics Department and Development Unit the GDP grew in 2001. However, this does not mean that more goods and services were produced, but rather reflects an increase in the prices of goods and services. The statistics indicate that the real GDP declined by 3.76 per cent. Agriculture and communication were the most severely affected sectors, with a decrease of 17 and 30 per cent, respectively. According to the Eastern Caribbean Central Bank, the economic performance on Montserrat will continue to be influenced by activity in the construction sector. The contribution of the manufacturing sector from local enterprises was extremely low as Montserrat continues to be a service-oriented economy, as government services and construction remained the major contributors to the GDP.[8]

29. In his 2002 budget presentation, the Chief Minister stated that the allocations in the recurrent budget were based on the assumption that there would be no major shift in policy or volcanic activity. With respect to recurrent expenditure, he proposed to spend EC$ 66.2 million during 2002, EC$ 10.9 million more than in 2001: the Ministry of Education, Health and Community Services would receive EC$ 15.8 million; the Ministry of Communications and Works, EC$ 13.4 million; the Consolidated Funds Services, EC$ 8.3 million; the Ministry of Agriculture, Housing, Lands and the Environment, EC$ 4.5 million; the Ministry of Finance, EC$ 2.9 million; and other departments, EC$ 21.1 million.

30. The Government continued efforts to resolve tax arrears problems. As a first step, the Chief Minister announced that all taxes owing on properties that were largely destroyed or inaccessible as a result of the 1995 eruption would be written off. He also announced tax incentives for Montserrat citizens buying land or housing, for offshore educational and scientific institutions and for offshore companies involved in partnerships and joint ventures with approved businesses on the island. According to the Chief Minister, in 2003 land taxes would be raised by 10 per cent over the previous year, given that there had not been a re-evaluation of the tax liability for over 14 years.[9]

D. Banking and finance

31. According to the 2002 budget statement, Montserrat's foreign debt, held mainly with the Caribbean Development Bank (CDB), stands at approximately EC$ 20 million (£5.3 million). The balance is similar to that of 2001 because of a three-year moratorium on several loans. The Government is trying to find a way to retire some debts earlier than programmed because many of them were for assets that were rendered unusable by volcanic activity. This situation has hampered the Government's flexibility to borrow further to finance critical projects. The Government is discussing the possibility of undertaking additional loans with the United Kingdom and with CDB. Meanwhile, CDB has approved six projects for Montserrat totalling EC$ 200,000 under the Basic Needs Trust Fund programme. The projects include the rehabilitation of two schools and training programmes for lower-income communities.[10]

32. In June 2000, the Organisation for Economic Cooperation and Development (OECD) published a list of 35 countries, including Montserrat, labelled as offshore financial centres that had harmful tax practices. As a result, the Government carried out a number of corrective actions. In March 2002, OECD announced that it had removed Montserrat from its list of tax havens as the Territory had made a commitment to transparency and effective exchange of information on tax matters with OECD countries by the end of 2005.[11]

E. Tourism

33. Despite the lack of proper facilities and the adverse publicity caused by the volcanic activity, Montserrat's tourism industry is steadily recovering. According to the media, prior to the volcanic eruption 30,000 tourists visited Montserrat annually. This number fell to 4,000 in 1997 and is now up to 14,000, almost half the original number of tourists. Statistics indicate that the contribution of the tourism industry to the GDP has increased, from 0.81 per cent in 1999 to 0.98 per cent in 2000 and to 1.15 per cent in 2001. The hotel and restaurants sector showed a 21 per cent increase in 2001. The visiting friends and relatives market accounted for more than 31 per cent of arrivals to the Territory, second only to leisure visitors, which stood at just over 41 per cent. While other niche markets decreased as a result of the volcanic situation, the visiting friends and relatives market continues to be strong and has been increasing steadily over the years.[12]

34. According to the Montserrat Chamber of Commerce and Industry, the focus of Montserrat's tourism development will have to be real estate and residential tourism.

Under the double-taxation agreement between Montserrat and the United Kingdom, British citizens who live in Montserrat for six months of the year can receive certain exemptions from their income taxes. Therefore the Chamber is looking at pensioners as Montserrat's future residents. According to the Director of Tourism, Montserrat needs a more cooperative partnership between the Government and the private sector to push the tourism industry forward. Developing new facilities is seen as an additional way to attract tourists. In July 2002, a committee was formed to investigate the physical and financial feasibility of re-establishing a golf course in Montserrat. According to *Yachting Magazine*, Montserrat also has the potential for becoming a major site for yachting. In October 2002, the Government of Gibraltar pledged its support in terms of product development, making its documents available to Montserrat and helping to finance Montserrat's participation at trade shows and other promotional activities.[13] It is furthermore expected that the construction of a new airport will increase tourism, as will an awareness programme to dispel some of the myths regarding potential volcanic dangers. At the World Travel Market 2002, two new tour operators assured that they would feature Montserrat in their 2003 programme.

F. Agriculture and fisheries

35. The prolonged dry spell of 2001 had a serious impact on agricultural production, which fell by 45 per cent. This highlighted the need for irrigation systems and dams. The main crops produced in 2001 were white potatoes, sweet peppers, cucumbers and okra. An allocation of EC$ 459,200 was made in the 2002 budget for irrigation systems. The Government has specified three main areas in the move towards agricultural self-sufficiency: crops such as roots and tubers, fruit, leafy vegetables and condiments; egg and poultry meat production; and support to the Livestock Producers Association and the Farmers Association. Emphasis was also placed on the training of fisheries staff. The level of egg production, which was negligible in 2000, increased substantially to 10,800 dozen in 2001. Fish catch also increased, by 8 per cent in 2001 to 77,515 pounds of produce. A shrimp-rearing company has been negotiating with the Government of Montserrat to establish a company on the island. The United States imports approximately $3.5 billion worth of frozen shrimp each year, and in order to capture a significant portion of this market, the company intends to pursue a marketing campaign geared towards the major hotel chains and the cruise ship industry on the United States east coast. In January 2003 the Ministry of Agriculture began a new project aimed at increasing the local production of cassava and its by-products for the export market. The Caribbean Agricultural Research Development Institute is carrying out a feasibility study on the diversification of the cassava plant, at a cost of EC$ 40,000 funded by the Government of Montserrat. Because of the long growing process, cassava production is now relatively small compared with other root crops (10-15 per cent). According to the Minister of Agriculture, the Institute has developed some varieties of cassava that take less time to mature. By the end of 2002 the open air market at Little Bay Festival Village replaced the former Plymouth Market, as had been scheduled. The Government hopes to make the market permanent and plans to organize a regular bus service to the market.[14]

V. Social conditions

A. Education

36. In 1998, there were four government primary schools in operation in the designated safe zone, accommodating children from both the non-evacuated and the evacuated areas. In addition, there are two private primary schools, one private secondary school and one amalgamated government secondary school with three campuses.[15]

37. To meet the growing demand for school places at all levels, a number of projects are being undertaken in the safe areas of the Territory. During 2001, the Government introduced a five-year education plan, advanced level classes were reintroduced at the Montserrat Secondary School and a unit for children with special needs was established. A nursery school was also being built in mid-2002. In October 2002, the Montserrat Secondary School was equipped with computer-aided drafting technology, which is commonly used for drafting architectural and engineering drawings and for making technical illustrations. The European Union and DFID are funding a EC$ 6 million tertiary-level community college, which is scheduled for completion by September 2003.[16]

38. The Government has taken steps to promote adult education and to attract educational institutions to the Territory. A computer literacy programme for men was to be offered by the Montserrat Labour Department beginning in February 2003. As the women of Montserrat are more computer literate than the men, the programme aims at introducing a basic knowledge of information technology to men. In August 2002 the Government of Montserrat approved the granting of licences to two medical schools, St. John's School of Medicine and St. Mary School of Medicine, which currently operate in the Cook Islands. In addition, the American University of the Caribbean, which left because of the volcanic crisis, has shown interest in returning to the Territory. In July 2002, the Acting Chief Minister proposed that Montserrat become a location of a Caribbean school or institute for disaster preparedness and management, given its many experienced veterans of hurricanes and volcanic eruptions and the large portion of its infrastructure financing invested in emergency personnel.[17]

B. Health

39. According to the World Health Organization (WHO), a health project developed by the Government of the United Kingdom, with technical assistance provided by the Pan American Health Organization (PAHO), aims to rebuild the health services in Montserrat to the pre-volcanic level. Community health clinics, providing free services for Montserratians, are in operation in the safe zone at three locations: St. Peter's, Cudjoe Head and St. John's. In addition, there are two private medical practitioners and one private dental practitioner on the island. St. John's Hospital was refurbished in 1999 and now has 30 beds, places for 50 elderly persons, a new pharmacy, a laboratory and medical records facilities, and new casualty, X-ray and outpatient departments, and a secure facility for psychiatric patients. Some services that are not available in the Territory on a full-time basis are procured through ongoing arrangement with visiting specialists. Montserrat will benefit from a joint project on the reform of children and family legislation realized

between the United Nations Children's Fund (UNICEF) and the National Children's Home, which is presently developing new care standards for family law and domestic violence legislation in the Organization of Eastern Caribbean States (OECS) and the British Overseas Territories region.[18]

40. In March 2002, health officials expressed concern over the occurrence of new cases of human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) and hepatitis B, linked to sexually transmitted diseases, which were reported in 2001. An HIV/sexually transmitted diseases educators' training programme has been initiated in Montserrat with funding from the Joint United Nations Programme on HIV/AIDS (UNAIDS) and various international Red Cross societies.[19] According to a UNAIDS report, the Pan-Caribbean Partnership against HIV/AIDS signed an agreement with six pharmaceutical companies in mid-2002, in a bid to improve access to cheaper antiretroviral drugs. However, access to these drugs remains unequal across the region as a whole, partly because of widely varying drug prices. According to the local press, although the category of people living with AIDS is virtually non-existent in Montserrat, the Territory participates in the regional programmes related to AIDS.[20]

41. In an effort to promote anti-drug education among schoolchildren, the Royal Montserrat Police Force in August 2002 announced the formation of a committee to support its ongoing Drug Awareness and Resistance Education (DARE) programme for the island's primary schools. Over 50 DARE children successfully graduated from the Brades and Roman Catholic primary schools in 2002.[21]

C. Housing and infrastructure development

42. According to the Chief Minister, despite all prior efforts to house those displaced by the volcanic eruption, as of March 2002 there were still 1,000 displaced households in need of housing. Additionally, the housing register showed that many Montserratians would return to the island if they had access to land and mortgage financing. As a result of the Government's housing strategy, DFID approved a further £10 million for housing for the period 2001-2006 and the European Community provided £3.25 million in parallel funds. The housing programme comprises infrastructure development, refurbishment of houses and the servicing of building lots. One of the main aims of the Government is to restore the level of home ownership prior to the volcanic eruption. In June 2002 the Bank of Montserrat Limited launched a long-term home mortgage financing plan with the provision of EC$ 6 million to assist with the building or purchase of homes in the safe area. This mortgage venture is at a rate of 10.5 per cent per annum for a term of 20 years, which is below rates currently offered on the regional market.[22] In August 2002, it was reported that the Government had given more time to tenants who were delinquent in paying rent for government houses. The houses were built in the safe northern part of the island for hundreds of people displaced by the volcanic eruptions. In August 2002, the Government secured funds for the relocation of people from the site of the future airport (Geralds Park). Within the following three months residents were relocated to permanent or temporary residences with an improved standard of accommodation. In the course of one year they are all expected to own permanent residences.[23]

43. A number of infrastructure projects were started in 2002, among them the Montserrat Red Cross in Brades and the new airport at Geralds, with a groundbreaking ceremony for the latter in December. Estimates for airport construction are EC$ 42.6 million, EC$ 18 million to be funded by the European Union and the rest by DFID and the Government of Montserrat. The completion time of the airport has been postponed from the end of 2003 to July 2004. With the construction of the airport, Montserrat will be better able to provide lifeline services for medical emergency, disaster relief and support to commerce and tourism. However, the airport project gave rise to criticism from the Committee for the Redevelopment for Montserrat. It criticized the construction of the airport with only a 600-metre long airstrip, which it considered too short and therefore too dangerous.[24]

44. New additions to the social infrastructure in Montserrat were the new police station at Brades, opened in October 2002, Duck Pond National Park, in December 2002 and the Credit Union headquarters at Brades in January 2003. Some of the new projects to be completed in 2003 include the Public Works Department maintenance workshop, St. John's Clinic, the operating theatre, Government Building, Port Work and the new Montserrat Volcanic Observatory. The construction of a new prison, which will be built as an extension of the present Remand Centre, is expected to begin in early 2003. [25]

45. In December 2002, the Montserrat Light and Electricity Corporation announced that it was planning to acquire a new 4-megawatt power station, which will replace the emergency station that has been used since the volcanic eruption in 1995. In January 2003, the Public Works Department acquired new machinery for road building, worth EC$ 696,000, which was financed by DFID. The machinery will facilitate the expansion of the present road network.[26]

46. According to the Montserrat Water Authority water rates will continue to grow. In 2001, the rate increased by 25 per cent, after which it was raised by a further 8 per cent in 2002 and 5 per cent in 2003. A final 5 per cent will be added in 2004 and if there are no unforeseen circumstances after that the Authority plans to review the restructuring of the current rates.[27]

D. Human rights and crime

47. According to press reports, a two-person human rights team held workshops and gatherings in Montserrat in March 2002 as part of an effort by the United Kingdom authorities to bring the people of the Overseas Territories up to date on their international treaty obligations and to hear their views on human rights issues. The media quoted the team as noting that Montserrat was further ahead in human rights achievements than other British Overseas Territories in that Montserrat had "a Bill of Rights in the Constitution, clear people-centred social welfare policies, trade unions and a climate of safety and peace".[28]

48. With the destruction of Plymouth, Montserrat also suffered the destruction of its prison. Since then, largely ad hoc arrangements have had to be made for the accommodation of prisoners. The majority of prisoners with longer sentences are sent to other Territories administered by the United Kingdom. In this regard, in December 2001, the Human Rights Committee, having considered the reports submitted by the United Kingdom on its Territories, expressed concern over the

situation of long-term prisoners from Montserrat, who had to serve sentences in other Territories. The Committee asked that the United Kingdom ensure that, consistent with articles 10, 17, 23 and 24 of the International Covenant on Civil and Political Rights, long-term prisoners may serve their sentences in their own Territory, or that alternatively, non-custodial means of punishment be investigated.[29] Once the new prison is completed in Montserrat, all long-term Montserrat prisoners will be returned from the other prisons outside the Territory in which they are currently being housed. In November 2002, it was reported that 10 prisoners were in the British Virgin Islands and the Turks and Caicos Islands while 10 remained in Montserrat.[30]

49. The right to freedom of expression became an issue in November 2002, when the radio programme "Labour Speaks" was kept from the airwaves by the Attorney General. The programme's author argued that the action was taken in order to stifle criticism of the Government, which amounted to political censorship.[31]

E. Evacuees

50. Assistance to Montserratians who chose to relocate within the Caribbean is provided by DFID. The programme, called "Targeted Assistance for Montserratians in the Caribbean", was established to provide financial assistance to vulnerable groups who were unable to meet their essential needs, including food, rent, utilities, medical expenses, etc. DFID also provides funding for Montserrat associations and non-governmental organizations assisting evacuees, and helps in purchasing tools and materials for the establishment of businesses. A small business programme for evacuees in Antigua and Barbuda and in Bermuda was set up and is managed through the Citizens and Friends of Montserrat.

51. Neighbouring countries have made a considerable contribution to the well-being of evacuees. According to the Government of Antigua and Barbuda, the population of that country increased by 5 per cent as it absorbed displaced Montserratians. The relocated inhabitants of the Territory are provided with medical benefits and social services. Free education is offered to students from kindergarten up to the tertiary level.

52. In September 2001, the temporary protected status of Montserratians living in the United States as a result of the volcanic crisis was extended until 27 August 2002.[32]

VI. United Kingdom development assistance

53. Since the onset of the volcanic crisis, DFID has committed over £135 million to Montserrat, much of this sum being used to establish basic infrastructure in the safe northern part of the island in order to return some normality to social and economic life. Currently, DFID has earmarked £72 million between 2002 and 2005/06 for projects within the country policy plan. In November 2001, as a result of the country policy plan discussions between the Government of Montserrat and DFID, the British Government decided to grant more financial autonomy to the local Government. New initiatives in this direction include an increased EC$ 1.5 million budget for minor public works and a new scheme for locally funded projects, with

an annual budget of EC$ 2 million.[33] The Montserrat-based DFID team will be halved during 2002, leaving four Montserratian and two United Kingdom appointed staff on the island. The Governor's Office has expended approximately £380,000 on projects, in Montserrat during the 2001/02 financial year, tapping funds from various British government sources. These funds have been used for projects in the areas of environment, training, health, and legal and legislative programmes. The Chief Minister of Montserrat has expressed some concern regarding the rate of decline of grants from the United Kingdom.

VII. Assistance provided by the United Nations and other international organizations

54. United Nations assistance to Montserrat is provided mainly through the United Nations Development Programme (UNDP), which maintains programmes of technical cooperation with five Non-Self-Governing Territories in the Caribbean, including Montserrat.

55. After the first volcanic eruptions in 1995, Montserrat was designated as a country in special development circumstances. Since then, support from the UNDP office in Barbados and the OECS subregional office has focused on disaster mitigation and institutional strengthening in support of Montserrat's post-emergency resettlement programme. This involves support to the Government of Montserrat through the placement of United Nations Volunteers (UNV) in key strategic physical and social infrastructure areas. Currently, five international UNVs are providing support in geographic information systems, architecture, occupational therapy (with special emphasis on support for the disabled and elderly), psychology/community work and civil engineering. One volunteer is fully funded by the Government of Japan and the rest are funded by DFID. In September 2002, a new memorandum of understanding was signed for an additional US$ 360,000, which will cover an additional eight international UNVs until March 2006.[34] UNDP is also supporting the implementation of an integrated vulnerability assessment of the island, which will provide guidance on disaster vulnerability to development planners and private sector initiatives over the next 25 years.

56. Assistance is also provided by other organizations of the United Nations system, such as WHO and the United Nations International Drug Control Programme (UNDCP). The 2000/01 health programme established by WHO/PAHO in response to priority needs defined by the Government of Montserrat consists of three projects: environmental health; health promotion and disease prevention; and health services development. Montserrat also participates in a UNDCP project designed to assist customs administrations in the establishment of a regional clearance system for small vessels and light aircraft in order to improve the interdiction of illicit drug-trafficking.

57. In 2000, Montserrat signed a framework of cooperation agreement with the European Community's European Development Fund. Initial funding for the period 2000/03 is 8 million euros, with the overall objective of resettling displaced persons. Primary commitments within the agreement are the provision of housing, sites and services, a Community Support Service Centre and a tertiary-level college.[35]

VIII. Relations with international organizations and entities

58. The Territory continues to be a member of CARICOM and OECS, as well as the institutions associated with both groups, including the University of the West Indies, CDB and the Eastern Caribbean Central Bank. Montserrat is an associate member of the Economic Commission for Latin America and the Caribbean (ECLAC) and its subsidiary bodies. The Territory is represented at the meetings of the Caribbean Group for Cooperation in Economic Development, sponsored by the World Bank. According to the Permanent Secretary to the Chief Minister, whose office holds responsibility for foreign affairs, Montserrat intends to sign the treaty with the CARICOM Single Market and Economy (CSME), which will bring a closer integration between the 15 States members of CARICOM. In December 2002, Montserrat government officials and members of the private sector and non-governmental organizations participated in a protocol and diplomacy workshop, which was conducted and presented by the regional economic adviser of the subregional headquarters of ECLAC. The purpose of the workshop was to prepare for more effective participation in the regional and wider international arena with a focus of the increased role of Montserrat in these organs.[36] In February 2002, the States members of OECS, including Montserrat, agreed to allow nationals of member States to travel freely within the OECS area and to remain in a foreign territory within the area for up to six months. It was also planned to introduce a common OECS passport by 2003.[37]

IX. Future status of the Territory

A. Position of the territorial Government

59. In March 2002, in presenting the 2002 budget, the Chief Minister of Montserrat stated the following:

> "This Government supports the principles of democracy, accountability and transparency in governance. Our present bid for constitutional reform will not deviate from these principles. Many of you are aware that a Constitutional Committee has been established to review the present Constitution and the Government is looking forward to the recommendations of the Committee. Its terms of reference are designed to encourage broad based consultation and input. The Government of Montserrat is encouraging all interested persons and groups to participate in whatever way possible.
>
> "This Government recognizes that many areas within our legislation are outdated. We have therefore established a law revision committee led by our Attorney General's Office to review and improve current legislation where applicable. Consideration must be given to changes that have been made to international legislations, especially since 11 September 2001. This and our own evolving relationship with regional institutions must be examined in the light of Montserrat's status as an Overseas Territory of the United Kingdom. It is hoped that some of these issues would also be addressed in the ongoing constitutional review."

B. Position of the administering Power

60. On 1 October 2002, the representative of the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) (see A/C.4/57/SR.3) in which she said that her Government, as an administering Power, was pleased to report that further progress had been made towards modernization and development of the relationship between the United Kingdom and its Overseas Territories. The fourth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2002, providing a forum for structured political dialogue between democratically elected chief ministers of the Overseas Territories and ministers of her Government with regard to the relationship, based on partnership, between the United Kingdom and its Territories. It also enabled those present to consult on matters such as the process of constitutional review, human rights and environmental issues arising from the United Kingdom's international commitments.

61. The partnership between the United Kingdom and its Overseas Territories continued to evolve: on 26 February 2002, the British Overseas Territories Act had become law, with effect from 21 May 2002, granting citizens of the Territories British citizenship, with right of abode in the United Kingdom and freedom of movement in Europe; it formally changed the nomenclature from "dependent" to "Overseas" Territories in order to more accurately reflect the nature of the relationship. Furthermore, constitutional review was under way in almost all the Territories, for the first time with the participation of locally appointed review commissions, with a view to providing each Territory with a modern constitution suitable for its long-term development which reflected its specific circumstances. Some reviews were almost complete, others were well under way, and Ascension Island, for example, would have elected an island council by the end of 2002.

62. The United Kingdom representative added that work was under way to implement the Guiding Principles of the Environment Charter for the Overseas Territories, adopted in September 2001. Pilot projects had been approved for two Territories and would be carefully monitored for suitability elsewhere. Multilateral environmental agreements would be extended to the Territories and national legislation would be strengthened. Projects had been implemented to address key areas such as habitat restoration, surveys of living resources, tackling of invasive species and capacity-building for civil society institutions. Her Government would also assist the Territories to access regional and bilateral European Commission trade, economic and development assistance within the framework of the November 2001 decision on the association of the overseas countries and Territories with the European Community (Overseas Association Decision).

63. The wishes of the peoples of the Territories, exercised in accordance with the Charter of the United Nations and other international treaties, were of paramount importance for the United Kingdom. The relationship between her Government and its Territories was based on fundamental principles such as self-determination, mutual obligations, freedom for the Territories to run their affairs to the greatest degree possible and the firm commitment from her Government to help the Territories economically and during emergencies.

64. The representative of the United Kingdom said that there was a basic commonality of approach between her Government and the Fourth Committee and

she therefore regretted that relevant resolutions, in particular those of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, did not always properly reflect that commonality. The annual omnibus resolution recalled that there was no alternative to the principle of self-determination and it was unfortunate that the Special Committee continued to apply that principle selectively. Her Government fully intended to continue to work with the Special Committee, as had been demonstrated by the presence of a representative of her Government by the presence of a representative of her Government at the regional seminar of the Special Committee held in Fiji in 2002.

X. Consideration by the General Assembly

65. On 11 December 2002, the General Assembly adopted without a vote resolutions 57/138 A and B on Non-Self-Governing Territories. In section VII of the latter resolution, which concerns Montserrat, the Assembly, among other things, called upon the administering Power, the specialized agencies and other organizations of the United Nations system, as well as regional and other organizations, to continue to provide urgent emergency assistance to the Territory in alleviating the consequences of the volcanic eruptions; and welcomed the support of the Caribbean Community in the construction of housing in the safe zone to alleviate the shortage caused by the environmental and human crisis of the eruption of the Montsoufriere volcano, as well as the material and financial support of the international community to help alleviate the suffering caused by the crisis.

Notes

[1] The information contained in the present paper has been derived from published reports and information available on the Internet. The facts and figures presented in the working paper are the latest information available.

[2] "Partnership for Progress and Prosperity: Britain and the Overseas Territories", United Kingdom White Paper, March 1999 (A/AC.109/1999/1 and Corr.1, annex).

[3] www.montserratreporter.org, 23 August 2002.

[4] www.montserrat-newsletter.com, September 2001, and www.montserratreporter.org, 11 March 2002.

[5] www.montserratreporter.org, 13 September, 1 November and 23 December 2002 and 3 and 31 January 2003.

[6] www.montserratreporter.org, 23 August and 6 September 2002.

[7] www.montserratreporter.org, 29 November 2002.

[8] www.montserratreporter.org, 5 July 2002.

[9] www.montserratreporter.org, 24 January 2003.

[10] www.montserratreporter.org, 8 March 2002.

[11] Agence France-Presse, 7 March 2002.

[12] www.montserratreporter.org, 12 July, 23 December 2002.

[13] www.montserratreporter.org, 5 and 26 July, 2 August, 8 November 2002.

[14] www.montserratreporter.org, 23 August, 23 December 2002, and 24 January 2003.

[15] 1998 Caribbean Basin Profile, p. 315.

[16] www.montserratreporter.org, 18 October 2002.

[17] www.montserratreporter.org, 12 July, 30 August 2002, and 24 January 2003.

[18] www.montserratreporter.org, 6 December 2002.

[19] www.montserratreporter.org, 1 March 2002.

[20] www.montserratreporter.org, 29 November 2002.

[21] www.montserratreporter.org, 2 August 2002.

[22] www.montserratreporter.org, 19 July 2002.

[23] www.montserratreporter.org, 2 and 16 August 2002.

[24] www.montserratreporter.org, 23 December 2002.

[25] www.montserratreporter.org, 15 and 22 November 2002.

[26] www.montserratreporter.org, 24 January 2003.

[27] www.montserratreporter.org, 31 January 2003.

[28] www.montserratreporter.org, 29 March 2002, "Human rights team ends Montserrat visit".

[29] CCPR/CO/73/UKOT.

[30] www.montserratreporter.org, 22 November 2002.

[31] www.montserratreporter.org, 29 November 2002.

[32] www.montserrat-newsletter.com, 20 September 2001.

[33] www.montserratreporter.org, 4 December 2001.

[34] www.montserratreporter.org, 6 December 2002.

[35] Eighth European Development Fund, Framework of Cooperation between the Overseas Territory of Montserrat and the European Community.

[36] www.montserratreporter.org, 6 and 13 December 2002.

[37] United Kingdom Overseas Territories, Montserrat Introductory Survey.